

Lecture 5: Property Crime

Thieves, Larceny/Theft, Burglary, Auto Theft, and White-Collar Crime

Part I. Thieves

Part II. Larceny/Theft Part

III. Burglary

Part IV. Auto Theft

Part V. White-Collar Crime

Typologies of Criminal Behavior

- There is a huge amount of variation in criminal behavior and deviance.

The goal of next set of lectures is to look at different types of crimes and consider the different types of criminal offenders (e.g., profession and occasional thieves).

Part I. Thieves (Typologies of Criminal Behavior)

Why Steal?: Recall Discussion of Human Nature and Experimental Games

- Producers: Individuals or groups in society who produce and store resources (e.g., money, property, food).
- Scroungers (opportunists): Individuals or groups in society who prey on the resources amassed by producers.
- When large fraction of the population is producing, scrounging can be an effective strategy (especially if social control/protection is weak).

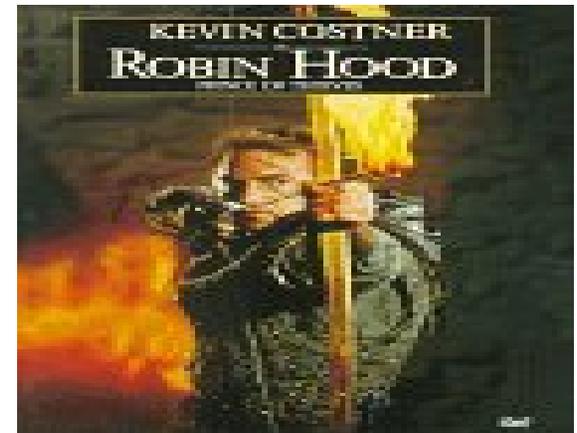
History of Thieves

Thieves have been part of human societies since the emergence of private property and wealth storage (hunter-gatherers had less to steal than agrarian societies)

Thievery common between societies (e.g., different tribes, states, social classes), but also occurs within groups of the same ethnicity or social identity.

Social Bandits: Legitimate Thieves

- Property crimes viewed as much more benign than violent crimes.
- Some thieves have even been admired as “gentlemen bandits” (at least by their within-group peers).



Jesse James

Jonathan Wild: A London Thief

- Dominated London underworld from 1714 to 1725
- Wild advertised as a thief-taker (someone who caught thieves and returned stolen property). He really was cooperating with the thieves, and earned immense profits.

Modern Thieves

Theft remains common: 10-15% of U.S. households are victims of theft each year.

Larceny is almost 60% of all index crimes.

Of the millions of property and theft-related crimes, most are committed by occasional criminals (or opportunists).

However, others are specialized thieves (career criminals) that make a profession out of scrounging resources from others.

The Occasional Thief



- An individual's decision to steal is spontaneous, unplanned, unskilled, and haphazard.
- Occurs with opportunity or situational inducements.
- Do not define themselves by a criminal role and not committed to a criminal career.
- Rationalize their actions.

The Professional Thief

- 1.) Make a substantial part of their income from theft (e.g., pick pocketing, burglary, shoplifting, forgery and counterfeiting, extortion, sneak theft, confidence swindling).
- 2.) Do not rationalize their criminality.
- 3.) Vigorous, willing to learn, calculating.

Professional Thieves cont.

“ A person can be a professional thief only if he is recognized and received as such by other professional thieves. Professional theft is a group way of life.” -- Edwin Sutherland

Should a criminal subculture be the trait to define professional thieves, or should it be those who make the majority of their income from criminal behavior?

Codes of Honor among Thieves

- A professional thief must never inform (squeal, “rat out”) on his or her fellow thieves.
- A game of cooperation known as the Prisoner’s Dilemma is informative.

Prisoner's Dilemma		Ernie	
		Cooperate	Defect
Bert	Cooperate	1, 1	20, 0
	Defect	0, 20	10, 10

Numbers refer to years in Prison

The Fence

- A person who earns their living solely by buying and reselling stolen merchandise (ranging from diamonds to hubcaps).
- A form of specialization of labor; the fence acts as middlemen for thieves and dealers.

The Professional Fence

- The fence develops skills to deal with thieves, businessmen, police, and others in their communities.
- Often experienced with legal rules and methods to avoid arrest.
- Less controlled by codes of honor as thieves (fences sometimes hand over a thief to the police to save themselves)



Oceans 11

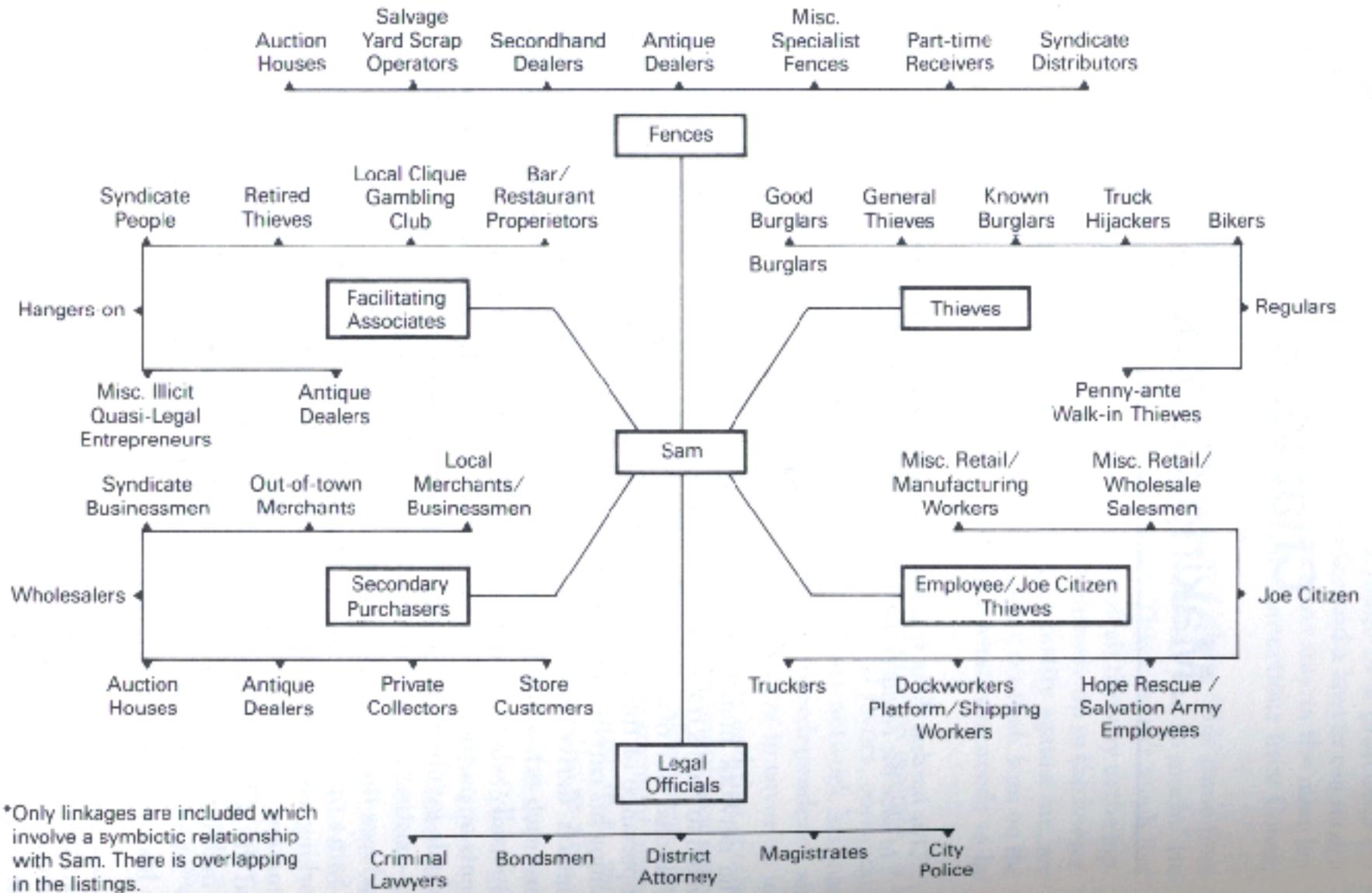
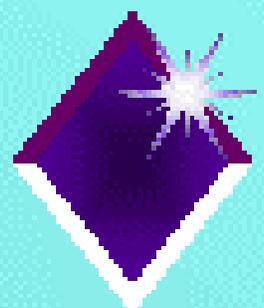
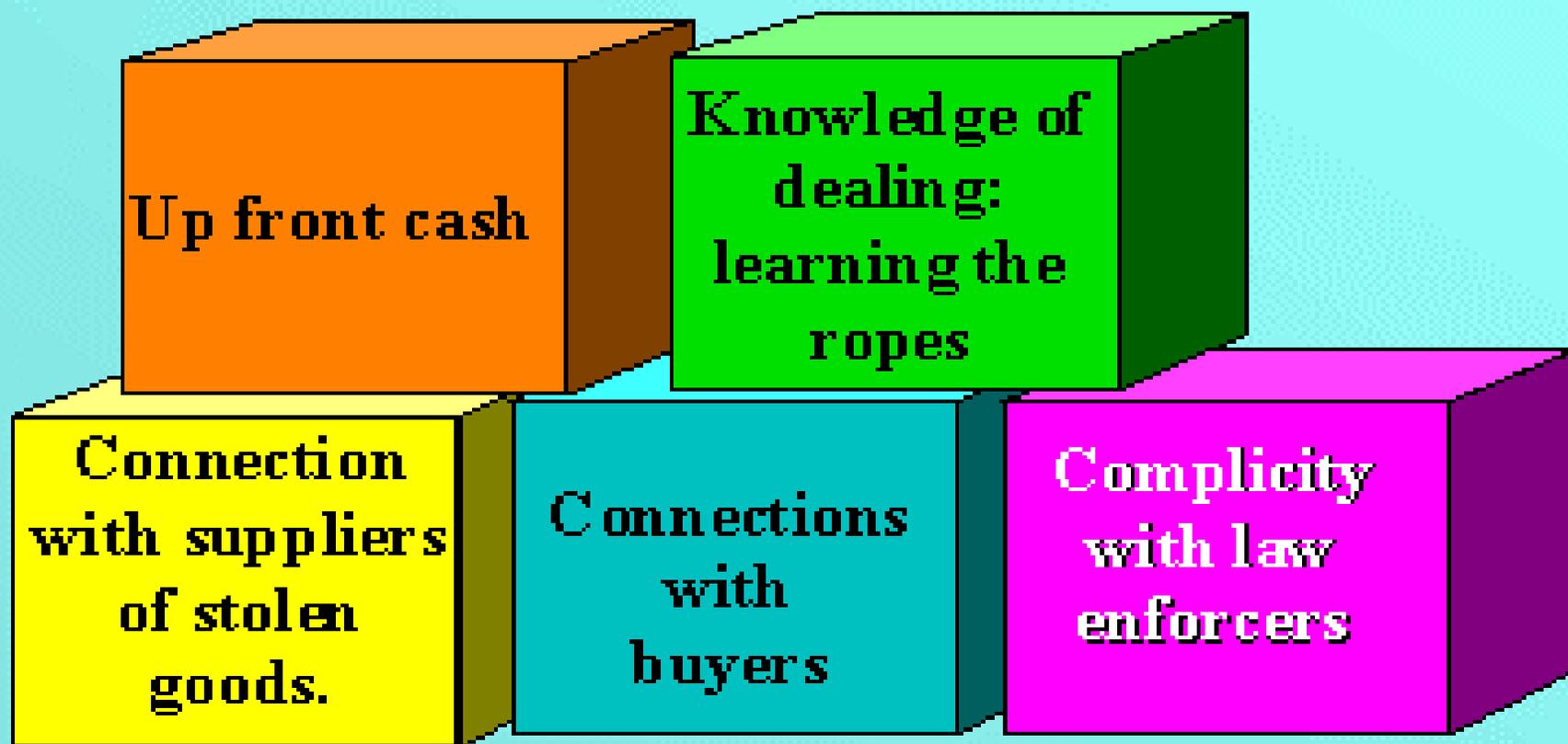


Figure 8.1 Sam's Fencing Network*

The Fence, by Darrell Steffensmeier (1986)



The Successful "Fence"



The Nonprofessional Fence

- 1.) Merchants integrate stolen property in store or provide information to burglars about what to steal.
- 2.) Bartering stolen goods for services.
- 3.) Approaching strangers for “great deals.”
- 4.) Nonprofessional thieves forced to use nonprofessional fences

Part II. Categories of Common Theft

Larceny/Theft

- **Common law definition:** the trespassory taking and carrying away of the personal property of another with intent to steal.
- Modern definitions include shoplifting, passing bad checks, and other thefts that do not involve force/threats, or breaking into a home/place of work.

The Evolution of Larceny

- Judges first concerned that stolen property would lead to violence because of unilateral and bilateral social control systems.
- First laws did not include larceny by trickery or deceit.
- The emergence of capitalistic economies required protection of private property. Larceny modified to include keeping property that was first entrusted to a second party (examples: watch repairmen, finding wallet with ID).

Larceny Today

- **Petty Larceny:** theft of small amounts (misdemeanor)
- **Grand Larceny:** theft of large value (felony punishable by prison)
- Each state sets boundary (In California, over 400\$, In South Carolina, over 20\$).
- Value applies to current value of item.

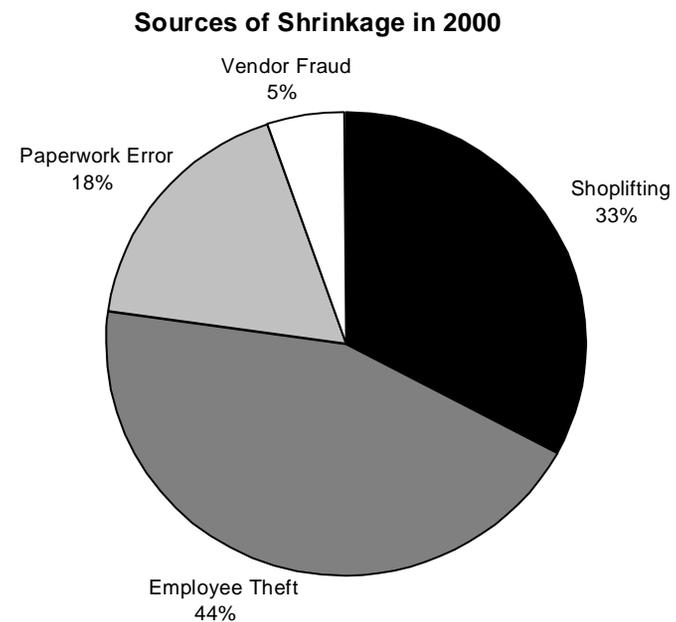
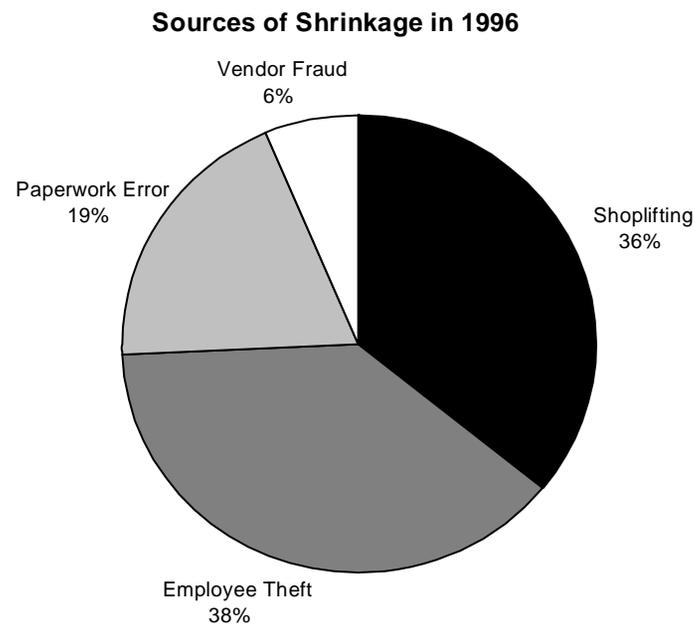
Shoplifting

- Increasing shoplifting trends (retailers expect 10-15% annual increase). FBI crime data estimates 16% of larceny cases.
- One person out of nine a shoplifter.
- Cost of shoplifting passed on to consumers.



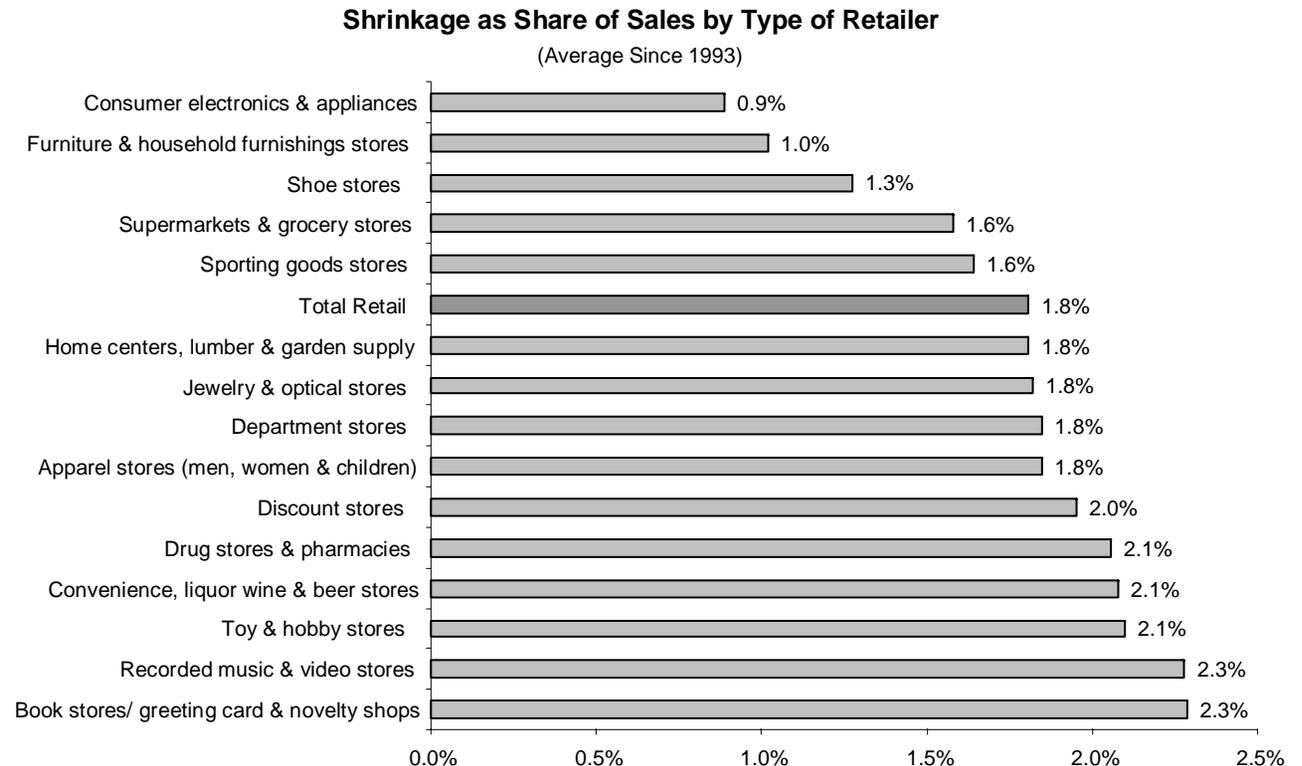
A Shift in Sources of Shrink

- During the economic boom of recent years, slower growth in shoplifting contributed to a striking shift in the sources of shrinkage.
- As shoplifting became a significantly smaller share of shrinkage by 2000, employee theft grew to be a larger share of shrinkage compared with 1996.

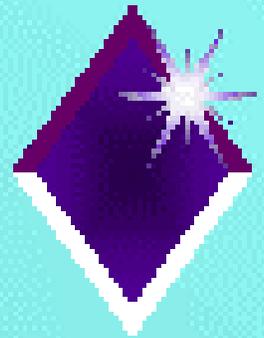


Differences by Retail Segment

- Not surprisingly, segments such as book and music stores that sell smaller-sized products have higher inventory shrinkage rates compared with segments such as consumer electronics and furniture stores that sell larger products.
- Although these rates by segment are volatile year-to-year, they show that the economic slowdown in 1996 resulted in a noticeable increase in shrinkage rates for discount stores, department stores and furniture/home furnishings stores.



Source: University of Florida National Retail Security Survey and Retail Forward Inc.



Shoplifting

Boosters and Heels

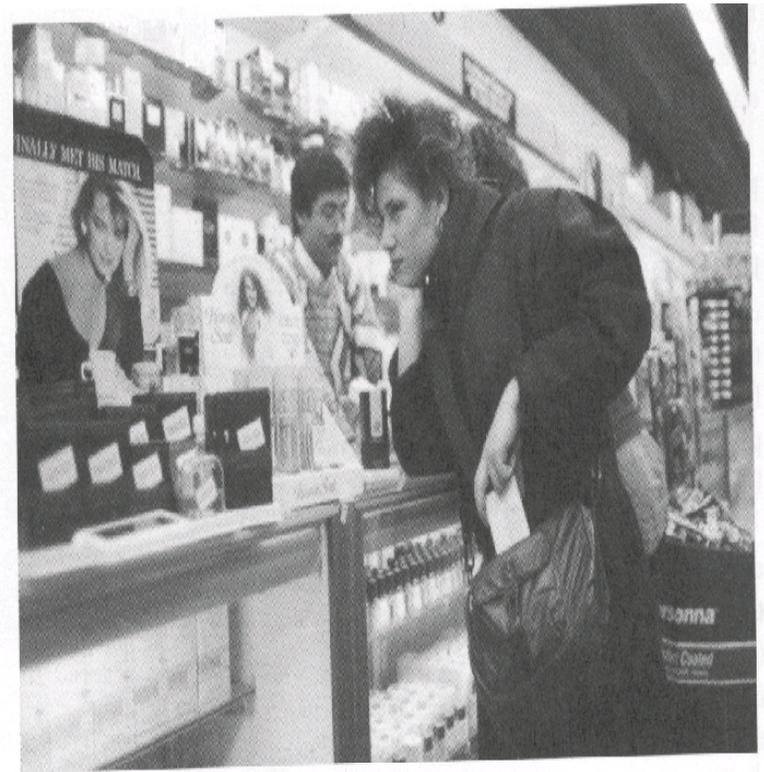
Professional shoplifters who resell items for income.

Snitches

Respectable persons who systematically pilfer for their own use.

Problem of Controlling Shoplifting

- Store employees and customers often reluctant to report shoplifters.
- In one study, less than 10% of shoplifters detected, only 70% reported to managers, and 5% prosecuted.



Prevention Strategies

- Display cases and dummy or disabled goods.
- Locking up goods or monitoring with electronic systems.
- Warning signs, cameras. Arrangement of store goods.
- Private security companies hired to protect stores independently of police
- Civil laws allow private enforcers to reduce their costs.



Burglary, Auto Theft, and White-Collar Crime

Part III. Burglary

Part IV. Auto Theft

Part V. White-Collar Crime

Part III. Burglary

Legal Definition of Burglary

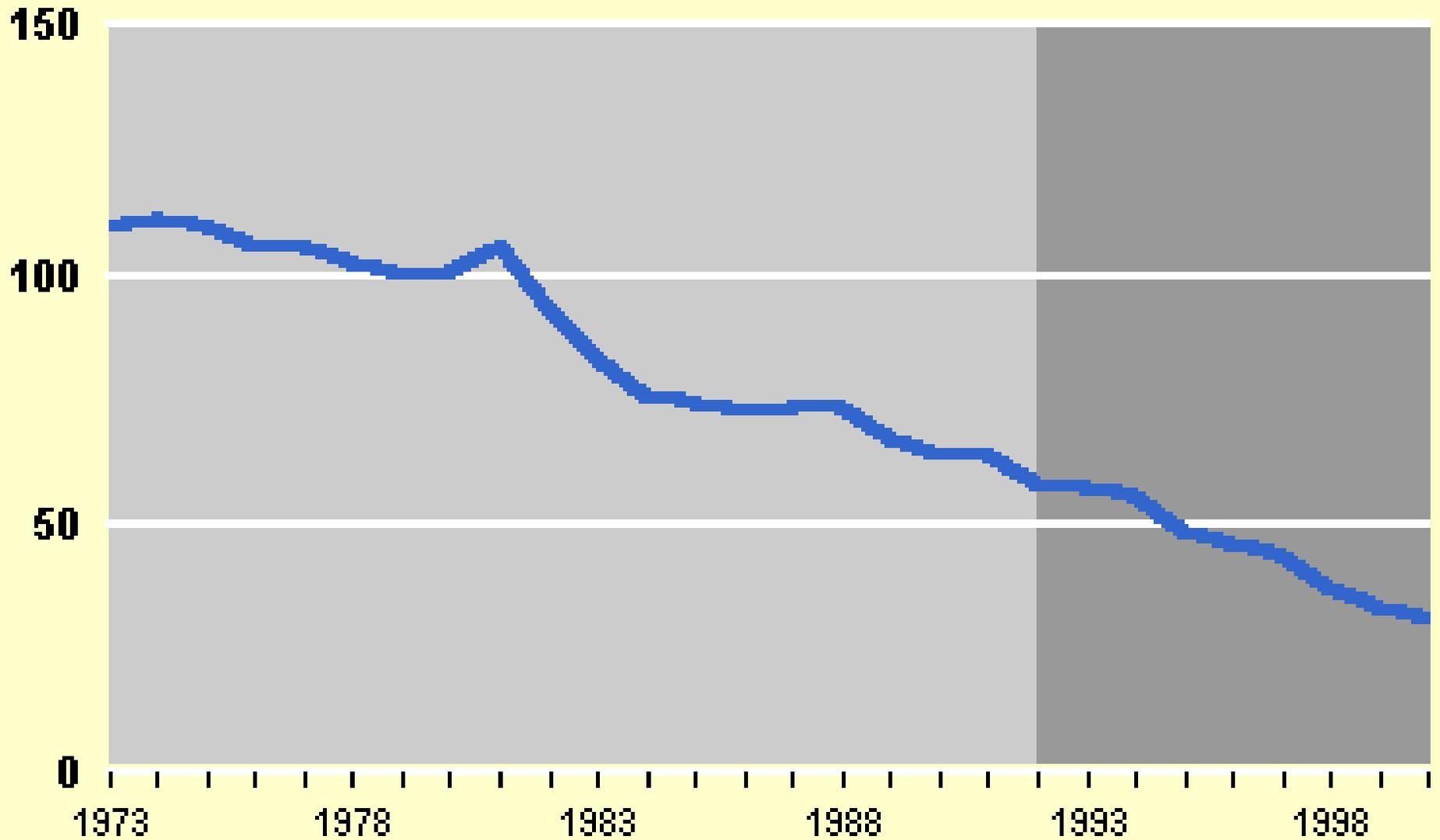
- Common law: the breaking and entering of a dwelling house of another in the nighttime with the intent to commit a felony within.
- Legal requirements for burglary have changed (night requirement, forced entry, dwelling houses) and degrees of seriousness for types of burglary added.

The Extent of Burglary

- About 19% of UCR index crimes.
- 2.5 million burglaries in 1995 (UCR).
- 4.8 million burglaries in 1995 (NCVS).
- 66% were in residences.
- Victims suffer 3 billion dollars annually.
- Poor African Americans and Hispanics most likely victims.

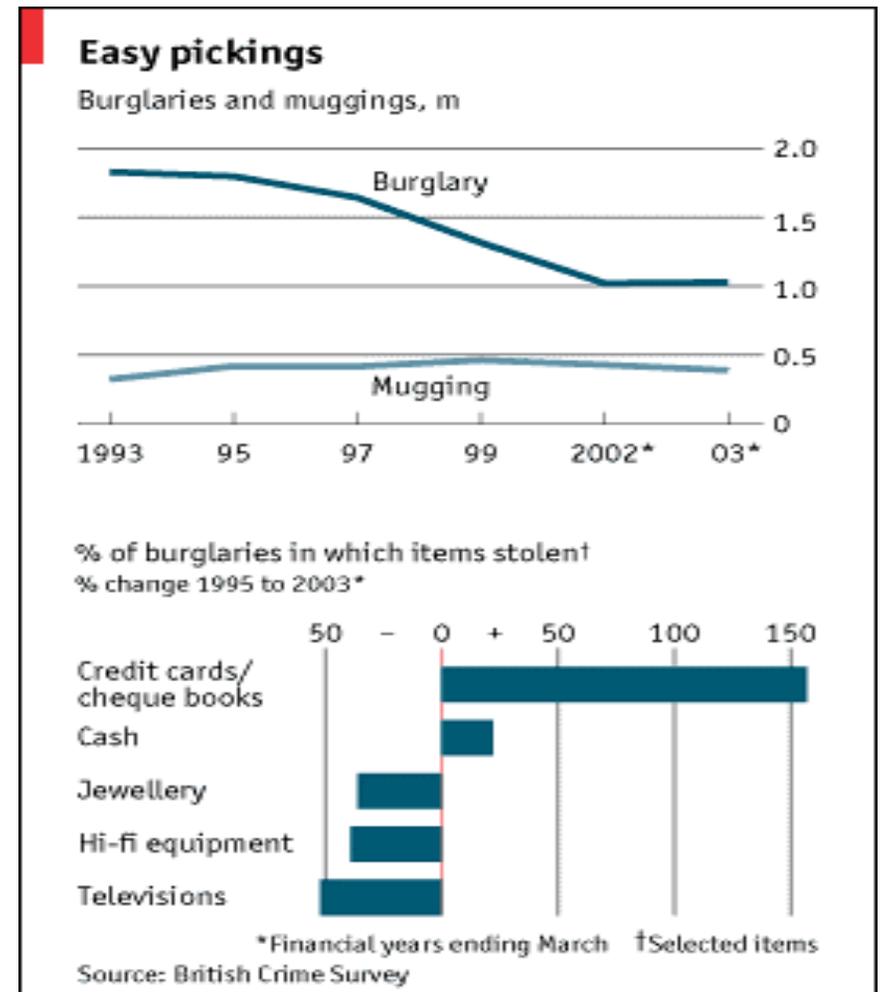
Burglary rates

Adjusted victimization rate
per 1,000 households



Burglary in England: A Rarer Crime Today

- Domestic break-ins have fallen by 45% in the past ten years, according to the British Crime Survey.
- Likely result of changes in economy and changes in items consumers purchase.
- Interesting patterns associated with drug users.



Unskilled Burglars

- Most burglars are unskilled and young.
- 8 out of 10 use crude methods of entry.
- Most usually give themselves 45 seconds once they have broken in.

Professional (Good) Burglars

- 1.) Develop skills of entering houses, selecting targets, choosing best property to steal.
- 2.) Choose trustworthy companions.
- 3.) Access to insider information.
- 4.) Must have connections with a fence.

The Burglary Event

- Time of Burglary: 10-11 am and 1-3 pm. (times when household occupants are taking kids to school or shopping). Night burglary is rare, especially for residential burglary.
- Occupancy probes, or “casing” the house: Knock on door and then ask “Is Ray Home?” “My car broke down...can I use your phone?”

The Burglary Event cont.

- Entry techniques: Often sophisticated and clever.
- Inside Information: Obtain information from maids, gardeners. Fences also provide information.

Decision to Burglarize

- Assume that there something of minimal value to steal.
- Is someone home? Is someone around to see me? How easy is it to break in?
- Often burglars are opportunistic rather than calculative and planning. If the opportunity arises, they commit the crime.

Burglary Deterrents

- Dogs
- Alarms
- Deadbolt locks



Burglars have plenty of easy targets, thus deterrents often effective. However, fancy alarm systems or other deterrents may advertise to burglars that the home has something to steal.

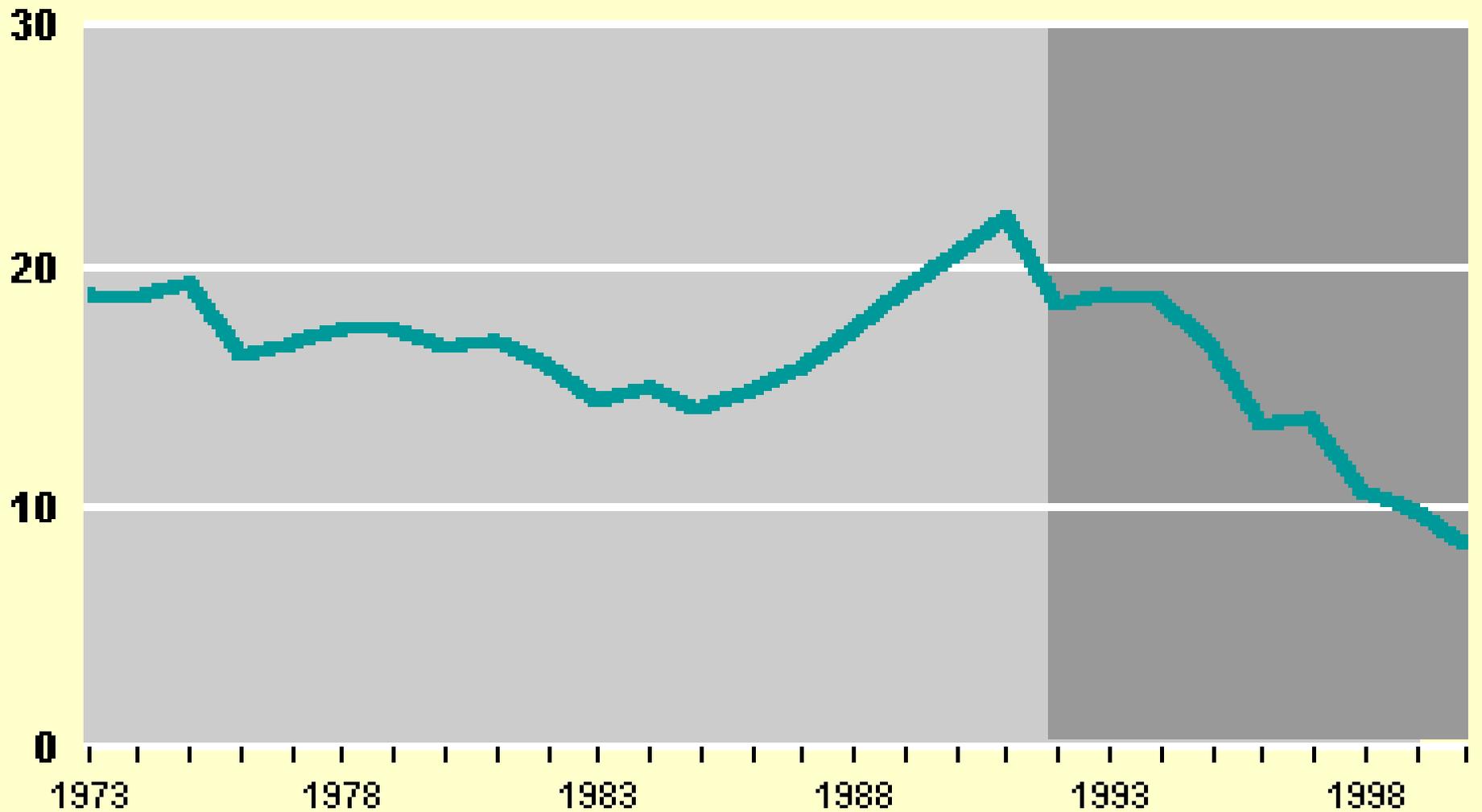
Part IV: Auto Theft

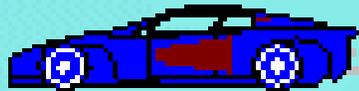
- Type of larceny crime. Given separate category because of frequency and seriousness of crime.
- 1.5 million auto thefts in 1995
- Highly reported crime (75%) because of insurance.



Motor vehicle theft rates

Adjusted victimization rate
per 1,000 households





JOY RIDING



SHORT-TERM TRANSPORTATION



LONG-TERM TRANSPORTATION



PROFIT



COMMISSION OF ANOTHER CRIME

Trend Towards Profit Oriented Auto Thieves

1955: 95% stolen for joyriding

1973: 73% of cars returned to owners.

1986: 50% of cars returned to owners.

1990: 33% of cars returned to owners.

Preferred Cars to Steal

- 2001 for the nation: Toyota Camry
- Rank varies by states and reflects preferences for different types of cars in different states.
- Enduring models preferred because parts can be sold easily.

Top 5 Stolen Cars for California 2001

Rank	Year	Make	Model-Name
1	1991	TOYOTA	CAMRY
2	1989	TOYOTA	CAMRY
3	1990	TOYOTA	CAMRY
4	1988	TOYOTA	CAMRY
5	2000	HONDA	CIVIC SI

Top 5 Stolen Cars for New Mexico 2001

Rank	Year	Make	Model-Name
1	1994	FORD	F150 4X2
2	1995	FORD	F150 4X2
3	1997	FORD	F150 4X4
4	1992	CHEVRO LET	C15 4X2 EXTENDED CAB FLEETSIDE
5	1994	HONDA	ACCORD LX

Top 25 Cars in U.S. 1999

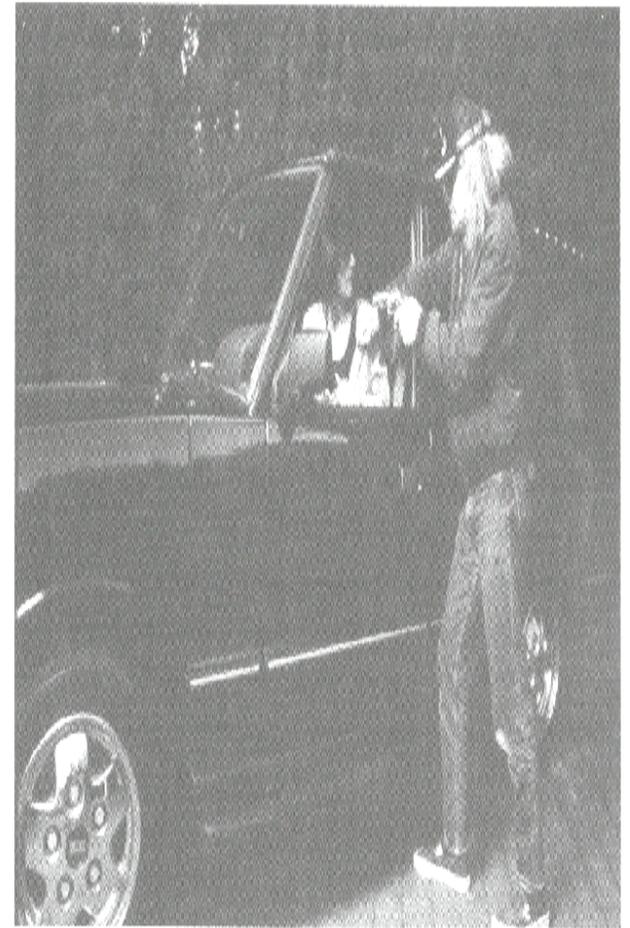
- 1. 1989 Toyota Camry
- 2. 1990 Toyota Camry
- 3. 1991 Toyota Camry
- 4. 1988 Toyota Camry
- 5. 1997 Ford F-150 4X2
Pick Up
- 6. 1994 Honda Accord EX
- 7. 1995 Honda Accord EX
- 8. 1996 Honda Accord LX
- 9. 1990 Honda Accord EX
- 10. 1994 Honda Accord LX
- 11. 1994 Chevrolet C1500
Pick Up
- 12. 1992 Honda Accord LX
- 13. 1991 Acura Legend
- 14. 1995 Ford Mustang
- 15. 1987 Toyota Camry
- 16. 1990 Honda Accord LX
- 17. 1995 Honda Accord LX
- 18. 1989 Chevrolet Caprice
- 19. 1988 Honda Accord LX
- 20. 1991 Honda Accord EX
- 21. 1992 Honda Accord EX
- 22. 1995 Dodge Neon
- 23. 1991 Honda Accord LX
- 24. 1989 Honda Accord LX
- 25. 1996 Honda Accord EX

Top 10 car theft towns. Border Towns.

1. Phoenix, Arizona
2. Fresno, California
3. Modesto, California
4. Stockton-Lodi, California
5. Las Vegas, Nevada
6. Miami, Florida
7. Sacramento, California
8. Oakland, California
9. Seattle, Washington
10. Tacoma, Washington

Carjacking

- Weapons used to force individuals to give up car (legally a type of robbery because of force).
- Victims and offenders often young, black, and many are in gangs.
- Injuries are common: 24% of victims sustain injuries, 4% serious injuries (gunshot and knife wounds).



Combating Auto Theft

- Reward hotlines.
- Florescent decals, and radio transmitters.
- Parking lots barriers, steering wheel locks “the club”, alarms.
- Most methods ineffective, especially alarms.



Part V: White-Collar Crime

First described by Edwin Sutherland as the criminal activities of the rich and powerful.

“A crime committed by a person of respectability and high social status in the course of his occupation.”

Modern Definition: Individuals (from all social classes) use the marketplace for their criminal activity. Typically, a violation of law by a corporation or one of its managers

White Collar Crime

A “white-collar” crime is a type of occupational crime which deals with the further advancement of the organizations.

–In turn, it actually does benefit themselves in that as the company profits more and more, so to does the individual

–Examples include:

- Embezzlement
- Racketeer Influenced and Corrupt Organizations Act (RICO)
- Wire and Mail Fraud
- Fraud
- Economic Espionage
- Antitrust
- And last but not least, Securities Law Violations

White Collar Crimes

- **Conspiracy** - an agreement between two or more persons to commit an unlawful act
- **Crimes Related to Production, Competition, and Marketing**
 - Labor and employment practices
 - Price Discriminations
 - Improper Use of Interstate Commerce
 - Securities Crimes
- **Money Laundering** – prohibits participation in financial transactions involving unlawful proceeds.

White Collar Crimes

- **Racketeering**
 - The Racketeer Influenced and Corrupt Organizations Act (RICO)
- **Bribery**
 - The act of giving money, property, or any benefit to a particular person to influence that person's judgment in favor of the giver.
 - The giving and receiving of a bribe constitute separate crimes.
 - The act of trying to obtain a bribe may be a crime of solicitation
- **Extortion and Blackmail**
 - Extortion is an illegal demand made by a public official appearing to an official capacity.
 - Blackmail is extortion by a non-public official

White Collar Crimes

- **Improper Political Influence**
 - Government officials cannot accept gifts, money, or other value from persons who have an interest in obtaining favorable governmental action
 - Government officials cannot be financially interested in or receive money from an enterprise that is seeking to do business with the government.
 - Lobbyist and foreign agents must register in Washington, D.C. and adhere to regulations on the giving and receiving of contributions for political campaigns.

White Collar Crimes

- **Foreign Corrupt Practices Act**
 - Forbids making payments or gifts of anything valuable with the intent to corrupt foreign officials
 - **Grease or facilitation payments** are not prohibited.
 - Facilitation payments are those to
 - secure a permit or license
 - obtain paper processing
 - secure police protection
 - provide phone, water, or power services
 - obtain any other similar action

White Collar Crimes

- **Counterfeiting** – the manufacturing, with fraudulent intent, of a document or coin that appears to be genuine.
- **Forgery** – the fraudulent making or material altering of an instrument that creates or changes legal liability
- **Perjury** – knowingly giving false testimony in a judicial proceeding while under oath and knowingly giving false answers on forms filed with the government.
- **False Claims** – knowingly making a false claim

White Collar Crimes

- **False Pretense**
 - False information submitted to the government
 - Unauthorized use of ATM's
 - Submitting false information to banks
 - Obtaining money or goods by false pretense is a crime
- **Bad Checks**
- **Cheats and Swindles**
 - False Weights, Measures, and Labels
 - Swindles and Confidence Games
 - Pigeon Drop
 - Telemarketing Scams
 - Internet Scams

White Collar Crimes

- **Credit Card Crimes**
- **Use of the Mails or Wires to Defraud**
 - A contemplated or organized scheme to defraud or to obtain money or property by false pretenses
 - The mailing or the causing of another to mail a letter, writing, or a pamphlet for the purpose of executing or attempting to execute such a scheme or artifice.
 - Federal law makes it a crime to use telegram or a telephone to defraud
- **Embezzlement** – the fraudulent conversion of another's property or money by a person to whom it has been entrusted.

Crimes of Force & Against Property

- **Larceny** - the wrongful or fraudulent taking and caring away of the personal property of another by any person with a fraudulent intent to deprive the owner of such property.
- **Robbery** – the taking of personal property from the presence of the victim by use of force or fear.
- **Burglary** – the breaking and entering into a building is a felony.

Computer Crimes

- Theft of Hardware
- Theft of Software
- Intentional Destruction
- Unauthorized Use of Computers
- Computer Raiding
- Diverted Delivery by Computer
- Economic Espionage by Computer
 - Economic Espionage Act – makes it a felony to steal, appropriate, or take a trade secret.
Includes copying, duplicating, sketching, drawing, photographing, downloading, uploading, altering, destroying, replicating, transmitting, delivering, sending, mailing, or communicating
- Electronic Fund Transfers Act

White-Collar Crime and Justice

- White-collar crimes often committed by the wealthy and powerful, and thus offenders sometimes escape punishment by legal system.
- Often, white-collar crimes resolved in civil court rather than criminal court.
- White-collar criminals face monetary fines and relatively short sentences (in nicer prisons). Prosecutors sometimes reluctant to incarcerate offenders not fitting the image of a “common criminal”.

Estimates of Losses from White-Collar Crime

- \$90 billion dollar loss from employee theft.
- 20 million serious injuries (110, 000 permanently disabled and 30,000 deaths).
- Corporate crime costs \$200 billion a year, more than even organized crime
- Destroys public confidence in economic and government institutions.

Why Does It Exist?

- Who doesn't like money?
- Financial pressures and family difficulties are a few significant motivations for committing white-collar crimes
- One way to view occupational crime is that it is in essence an indirect form of theft. Perpetrators often rationalize that because it is indirect, it is victimless and therefore acceptable.



Why Does It Exist?

The risk of internal misdeeds occurring in an organization is based upon a combination of factors:

- motive - usually caused by personal financial pressures
- opportunity - caused by poor accounting controls
- the personal integrity of the employees

Enron Facts

- Enron was formed in 1985 when two smaller energy companies merged
- Enron then set up over **3000** offshore companies, and used them to manipulate market price for energy
- Through accounting tricks, the offshore companies also provided an easy way for Enron to hide debt and increase profits

Enron Facts

- When California and other states came to Enron desperate for energy, the energy giant was able to charge them astronomical prices based on their other contracts (the ones it had made with its offshore partners, which were nothing more than puppets)

Enron Facts

- Enron also pushed their debts off onto their offshore partners, making the company look even better to Wall Street and pushing their stock higher.
- Kenneth Lay (CEO of Enron) told his employees that Enron stock was an “incredible bargain” and a rise in the value of Enron stock "has never been more certain"

Enron Facts

- At the same time, Lay was selling off his shares rapidly; he made \$21 million in profit selling his Enron stock in 2001
- The SEC caught Enron's accounting tricks, and begun an investigation

Enron Facts

- Enron was forced to restate profits and debt
 - Reduced profits by \$500 million
 - Increased debt by \$2 billion
- Enron shares dive from \$80 a share to less than \$1
- Enron employees lost \$1 billion in pension funds, while the top executives pocketed millions.

Enron Stock

